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ABSTRACT

In this report from the final session of a conference on Hispanic Americans and the business community, some general conclusions are presented. Participants, it is said, believed that the advancement of Hispanic-Americans in business depends on growing ties of mutual benefit between Hispanics and the general community. Despite the great attention paid to bilingual education, the most important educational concern of Hispanics is their high drop-out rate. Parents and businesses must work together to create educational environments that promote learning and keep students in school. Businesses, in particular, are encouraged to spend more time and capital on lobbying for public investment in education. Regarding the issue of immigration policy, the participants noted that, although Hispanic immigrants work at pay levels that no one else would accept, they often support marginal businesses that would otherwise fail. The immigration authorities must work to control illegal immigration. Stronger joint leadership from the United States and Mexican business communities is needed to help Mexico manage its debt and stimulate investment that would create more jobs. Finally, the participants urged Hispanic business leaders to participate more actively in voluntary community activities, and the mainstream business community is urged to recognize and address the importance of linking up with the Hispanic community as employees and consumers. (KH)

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HISPANIC-AMERICANS AND BUSINESS IN THE UNITED STATES:
Linking Up for a Stronger Future

Report of the
Aspen Institute Conference
Hispanic-Americans and the Business Community
Santa Barbara, California / August 7-10, 1985

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The advancement of Hispanic-Americans in the business life of the United States depends on growing ties of mutual benefit between Hispanics and the general business community. But easing strains in the larger social context is no less important. Education, immigration, and economic relations among the nations of the Western Hemisphere all play dynamic parts in enhancing--or retarding--the progress of U.S. Hispanics and the growth of the U.S. economy. To improve the outlook for Hispanics and business, promoting strictly business aims is but one part of the answer. We must also address the problems posed by these wider influences.

That was the message for leaders in business, government, education, and the non-profit sector that emerged from the Aspen Institute Conference on Hispanic-Americans and the Business Community, which took place in Santa Barbara, California, August 7-10, 1985.

Some 30 participants and observers, both Hispanic and non-Hispanic (see last page for the complete list of names), were convened by: Lodwrick M. Cook, President, Atlantic Richfield Company; Daniel D. Villanueva, President & General Manager, KMEX-TV, Los Angeles; George F. Moody, President, Security Pacific Bank; and Manuel R. Caldera, President, The Caldera Company, Los Angeles. The moderator of the roundtable discussions was Michael Rice, Aspen Institute Senior Fellow.

The sixth in the Aspen Institute's series of conferences on Hispanic-Americans and the larger U.S. society, the Santa Barbara meeting was distinctive in two respects. Its participants were chosen to reflect the orientation of states in the West and Southwest, and its agenda aimed at strengthening the prospects for Hispanic entrepreneurship, especially in association with the general business community.

This report is a summary of observations and recommendations offered by members of the conference group in their closing session. There was substantial agreement on which issues demand attention most critically, though debate continued to the end over the particular actions or policies that might best deal with those issues.

Tackling the Educational Challenge

This conference, like its predecessors, reflected the national controversy over the merits of bi-lingual educational programs. But the participants avoided getting stuck on the issue of whether such programs might contribute to a divided society, one part

speaking English, the other part Spanish. They agreed that the prime test of any bi-lingual teaching approach should be whether it helps students to succeed in school and to attain a proficiency in English. At the same time, it was generally acknowledged that, in an era of increasing interdependency among Western Hemisphere nations, a student population that can also maintain its proficiency in Spanish is nothing less than a national asset.

Many felt that the public debate over bi-lingualism has distracted attention from far more serious problems afflicting Hispanic students in the U.S., as reflected in their persistently high dropout rates. How to create an environment that promotes learning and keeps students in school? Some suggested new incentives to attract high-quality teachers. Others urged innovations to shorten the length of the school day while extending terms to a year-round schedule, in order to make it easier for students to hold down jobs while continuing their education. All favored targeting parents with television spots, achievement councils, and other appeals to engage them actively and directly in the life of their children's schools.

This last factor—parent involvement—was deemed crucial, because without it politicians and educators will never feel the pressure of community expectations that is essential to upgrading any school system, and because unless their parents insist on educational quality, Hispanic students themselves will never feel that school is an institution that exists for them: they will never look on it as a place where they can succeed.

For business, educational performance is an issue of obviously high stakes for the future. Will the U.S. have the educated, technically trained, highly productive workforce necessary to bolster its competitive position in a world economy? Will it have a domestic consumer market sufficiently prosperous to fuel expansion?

Some larger corporations have been concerned enough to intervene themselves in the educational process. They have "adopted" certain schools, sending their executives to spend time helping to enrich the classroom experience or exposing students to jobs that might fire their ambitions. Indeed, is business, one participant asked, taking the place of the PTA (Parent Teacher Association) in spurring schools to make improvements?

Trying to act like a PTA, it was observed, might in fact be less effective in improving education than applying the influence of the business community to the making of public policy affecting the schools--e.g., the appropriations process at local, state, and Federal

levels. The "adopt-a-school" sort of program has a rifle-shot effect. While the selected school benefits, the others do not. Many corporate-sponsored programs for students also tend to concentrate on the high-achievers--those who are already well motivated--while their lesser-performing peers are left out or left behind.

It has been easier for business corporations to do that kind of community work, one executive admitted, than to expend their limited lobbying capital on a "social issue." But if business leaders believe that, in their own and society's interest, there must be an improvement in public education across the board, then they should marshall their considerable forces to support the level and kinds of public investment and expenditure needed to give all students in the U.S., Hispanic and non-Hispanic alike, a set of educational opportunities second to none in the world.

Wrestling with Immigration Policy

The tangled issues of immigration policy could hardly be unsnarled in a single session of a conference generally concerned with Hispanic-Americans and the business community in the U.S. But the participants tried to get a grasp on several questions that have dogged the efforts of Congress to devise and enact a new policy.

No one questioned that Hispanic immigration has had a big impact on the U.S. economy--and that much of that impact has been positive. The new arrivals have represented, for the most part, hard-working additions to the country's labor force, often in jobs or at levels of pay that no one else would accept, thus supporting marginal businesses that would otherwise fail.

Still, no one argued seriously that the benefits would be even greater if there were no bars to immigration at all, letting market factors alone determine the flow. Even if the net effect on the level of unemployment or the cost of providing social services is debatable, there remains the fear that worsening economic or political conditions in the countries to the South could raise the already heavy inflow to an unmanageable tide. We need, one participant argued, not "open borders" or "closed borders," but "regulated borders."

It was in that spirit of moderation that the group discussed proposals to impose civil penalties on employers of undocumented workers. Such proposals are meant to discourage the hiring of workers who have not been admitted legally into the U.S.--which in turn is intended to discourage illegal immigration itself: they won't come, it is assumed, if they can't get jobs.

But such proposals also raise fears that legitimate Hispanic job applicants might be discriminated against by employers who would sooner pass over them than risk hiring someone whose documentation might prove faulty. Even granting amnesty to Hispanics who have been resident in the U.S. since before 1980, or ensuring legal recourse to anyone who has been treated unfairly, could not fully offset the disadvantage that Hispanic jobseekers, picked out by appearance, accent, or Spanish name, would suffer in having to prove they had the right to be here, when such a proof would be asked of no one else. Legally-admitted workers and bona fide citizens might be injured, while for undocumented workers the effect, rather than to reduce their number, might be simply to make them prey to a booming class of document counterfeiters.

These undesirable complications prompted fresh discussion about the possibilities of increasing control over illegal immigration at the border itself. Whether the Immigration and Naturalization Service patrols and facilities, with added resources, could become substantially more effective in turning back illegal border-crossers and keeping them out, was labelled a doubtful prospect. But the effort must be made, and some new bill must be passed, urged one participant, "if only to combat the paranoia in the land."

Taking Account of the Hemisphere

Uniquely among the six conferences the Aspen Institute has held in this subject area, this one gave prominent attention to the influence that the nation's relations with the rest of the Western Hemisphere have on the position of Hispanics in the U.S.

As already noted, the participants sensed that if the hardships facing Mexicans and other peoples to the South grow more severe--as they almost certainly will--the relative appeal of the U.S. job market, even at its lowest rungs, will grow ever more irresistible. It will compound the challenge of integrating and improving the position of those Hispanics who are already in the U.S. if they are joined by constantly increasing numbers of newcomers whose needs are great and whose skills are few.

This perception gave rise to the argument that a public-policy concern with Hispanics in the U.S. is inseparable from a policy of constructive economic relations with Latin America, especially Mexico. U.S. government and business leaders were urged to support their counterparts in Mexico who take an outward-looking attitude, who are looking for access to the U.S. market, and who, in turn, are

willing to see Mexico's own economy freed up to foreign investment and new enterprises.

Mexico's agreement with IBM, permitting the U.S. computer company to set up a plant without having to cede part-ownership to Mexican interests, was cited as a promising sign: If other U.S. companies could build on that precedent, it was argued, Mexico would find it easier to achieve economic growth and to foster employment at home, thus mitigating the pressures on workers to seek employment North of the border. (No one was blind, however, to the political implications in the U.S. of efforts to encourage U.S. companies to locate more operations in Mexico or elsewhere in Latin America. It takes a sophisticated view to accept that workers in both the U.S. and these other countries might benefit in the long term.)

The conference group called for much stronger joint leadership from the U.S. and Mexican business communities. Such links might serve, it was thought, to prepare policymakers and financial institutions for the accommodations--e.g., to help Mexico manage its debt and, at the same time, stimulate job-creating investment--that can work to the benefit of both economies.

Spurring Hispanic Business in the U.S.

After touching on the great issues of education, immigration, and hemispheric relations, the participants clearly felt more comfortable when they arrived at the question of how to support Hispanic business development at home. This was an area in which virtually all of them could speak from experience. Their recommendations tended to rest on what they had learned first-hand. This was as true of non-Hispanic corporate leaders whose companies have made special efforts to contract with, invest in, or otherwise work with Hispanic-owned companies, as it was of the Hispanic entrepreneurs and business leaders at the conference who could point to their own achievements.

They agreed that many of their most important business ties grew out of acquaintances made in the course of voluntary community activities. Joining the Chamber of Commerce or playing an active part in the United Way or lending one's time and energies to some other community cause or institution is not only a civic contribution. It also forges the bonds of personal trust that can support closer business relations. If the virtues of "networking" have become a cliche of business life today, that is not without good reason: The participants at this conference gave personal testimony to the rewards, both tangible and intangible, that they have reaped from conscientious networking in community affairs.

Hispanic business leaders were particularly urged to pursue active ties with other Hispanic as well as non-Hispanic business leaders. The joint leverage that comes from doing business with each other will put them all in a stronger position to do business in the larger world of giant corporations. They were also urged (a) to enter fields outside the traditional lines of Hispanic business, thus diversifying their areas of opportunity, and (b) to accept the responsibility for training Hispanic newcomers to business, thus giving them the start that will permit them to make their own success.

The major corporations in the general business community were urged to link up with the Hispanic community in various ways: (a) to appoint Hispanics to their boards; (b) to pursue joint ventures with Hispanic firms; (c) to seek out purchasing, contracting, and sales opportunities with Hispanic business--indeed, to make it a formal policy to do so; and (d) to hire Hispanics for significant executive and staff positions.

The mainstream business community was also urged to recognize and address Hispanic-Americans consumers as a market with distinct affinities and interests. Companies that have tailored some of their advertising, product design, and distribution channels expressly to Hispanics have typically bolstered their shares of the Hispanic market by increases that more than warranted their extra efforts. Responding to Hispanic consumer tastes and needs is obviously good business. At the same time, it naturally leads companies into taking the other desirable steps recommended just above. To involve more Hispanics in the running of a company or to do more business with Hispanic firms occurs almost automatically when a company has already decided, as part of its overall marketing strategy, to reach out to Hispanics as consumers worth cultivating in their own terms.

The Aspen Institute conference broke up in a spirit of optimism about the prospects for Hispanics in business in the United States--a spirit backed by pledges of many participants that, on returning to their own businesses and communities, they would act on the advice and recommendations they had heard around the table in Santa Barbara. They also called for another conference next year, this one to be specially designed to reach out to business leaders in the Midwest; it has been tentatively scheduled for August 5-9, 1986, at the Aspen Institute's summer campus in Aspen, Colorado.

Aspen Institute Conference
HISPANIC-AMERICANS AND THE BUSINESS COMMUNITY
Santa Barbara, California / August 7-10, 1985

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